

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary - Public

Date: 8/17/2018

GAIN Report Number: RO1811

Romania

Post: Bucharest

Oilseeds and Products Update

Report Categories:

Oilseeds and Products

Approved By:

Jonn Slette

Prepared By:

Monica Dobrescu

Report Highlights:

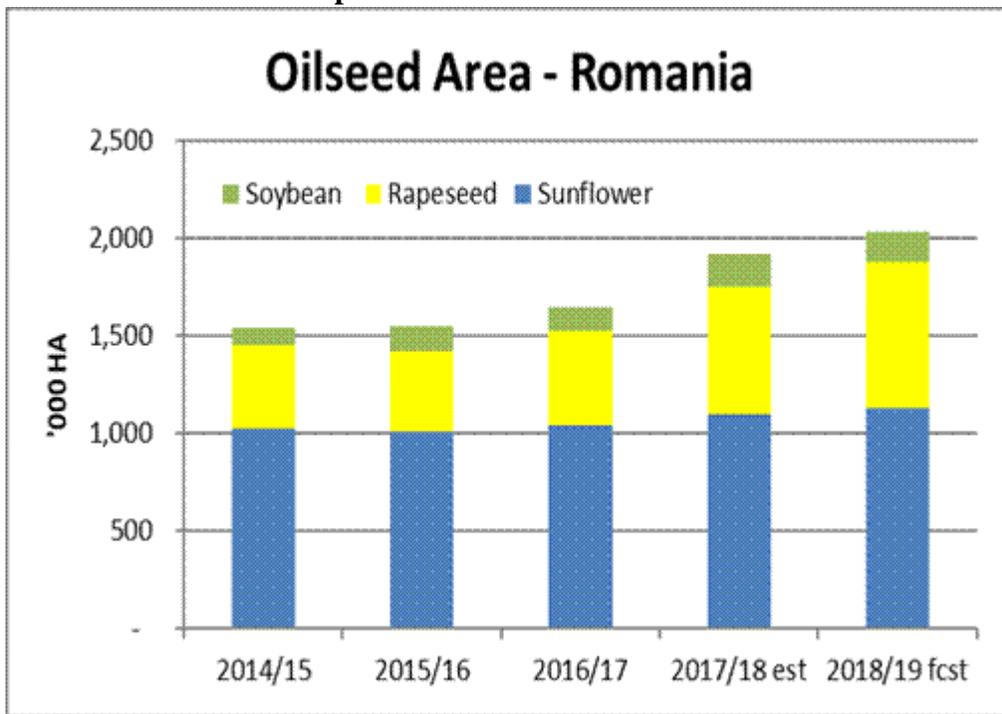
Post expects lower yields for Romanian rapeseed in marketing year (MY) 2018/19 due to dry planting conditions, hot and dry spring weather, and heavy rains during the summer harvest season. Conversely, summer rains boosted sunflowers and soybeans following spring drought conditions. Projected above-average yields for soybeans and sunflower seeds will not offset production losses for rapeseed. Post forecast that total Romanian oilseed production will decline by 10 percent year-on-year.

General Information:

Total Oilseed Area and Production

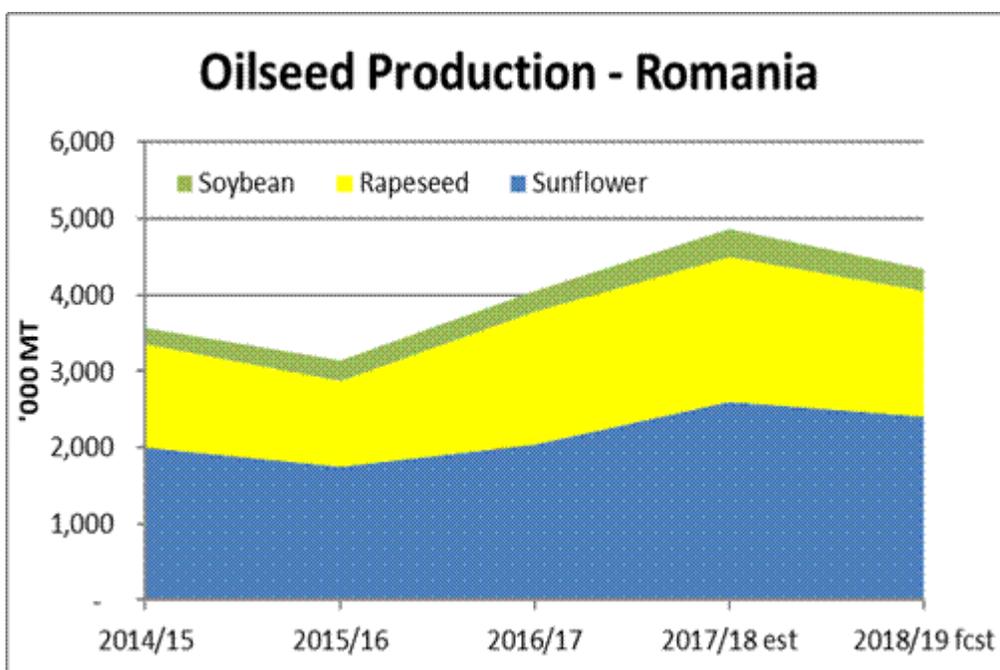
Romania’s oilseed area accounts for approximately one-third of total grain and oilseed acres under production. Its oilseed area has consistently increased over the past five years. While the sunflower area has fluctuated throughout this timeframe, Romania’s rapeseed and soybean areas have nearly doubled, reflecting the profitability of these two crops over grains. Sunflower still maintains the largest share of area planted among oilseeds, at about 55 percent. The rapeseed area is second at 37 percent, followed by soybeans. In MY 2018/19 the total oilseed area expanded by six percent, mainly due to higher rapeseed area. Hot and dry weather during spring 2018 reduced rapeseed potential and Post expects that total oilseed production will fall by 10 percent year-on-year (see Graphs 1 and 2).

Graph 1: Romanian Oilseed Area



Source: National Institute of Statistics, FAS estimates

Graph 2: Romanian Oilseed Production



Source: National Institute of Statistics, FAS estimates

Rapeseed

Rapeseed is increasingly popular among Romanian farmers, who view it as a profitable crops due to relatively strong market viability and stable yields. Rapeseed farmers were also recently incentivized by Romania’s derogations for neonicotinoids, which provided more flexibility in chemical application. In MY 2018/19, the rapeseed area reached an estimated 750,000 HA. Post expects crop rotation and weather factors limited Romania’s rapeseed area to some degree. Dry conditions after planting adversely affected the crop, although the mild 2017/18 winter contributed toward plant development. Hot and dry weather throughout the spring in eastern and southeastern regions stressed the crop. Harvest started earlier than normal due to early maturation, but persistent summer rains (nearly every day in some regions) interrupted harvest and led to additional yield loss. Some farmers reported 20-25 percent lower yields year-on-year due to these unfavorable factors. Post forecasts rapeseed production lower at 1.65 million metric tons (MMT), about 13 percent less than the previous year (Table 1).

Romanian rapeseed exports surged significantly during the first nine months of MY 2017/18. The largest share was shipped to other EU markets, particularly the Netherlands, Belgium, Germany, and newer markets like Portugal and the United Kingdom. In non-EU markets, notably the United Arab Emirates and Turkey, demand fell (see the Appendix).

Table 1: Romania, Rapeseed seeds Production, Trade, and Consumption

Romania	2014/15	2015/16	2016/17	2017/18 (e)	2018/19 (f)
Marketing Year Begin	July, 2014	July, 2015	July, 2016	July, 2017	July, 2018
Area (000) HA	430	410	480	650	750
Production (000) MT	1,360	1,125	1,750	1,900	1,650
MY Imports (000) MT	43	34	29	75	75
MY Exports (000) MT	1,048	774	1,426	1,560	1,320
Consumption (000) MT	354	385	356	405	405

Source: National Institute of Statistics, Global Trade Atlas, FAS estimate

Sunflower Seeds

Romania's sunflower area marginally increased in MY 2018/19 due to excellent yields during the previous two years and the rapeseed replanting. Although autumn rainfall and March 2018 snow improved soil moisture, the spring drought in some areas and wet conditions in other areas delayed planting. Unfavorable planting conditions resulted in poor plant size and uniformity. While April and May were notably dry, abundant rainfall during the latter half of June and throughout July provided long-needed moisture. Farmers are optimistic about yields and quality, although in some areas, the rain increased disease pressure. Harvest started in August in the southwestern regions. FAS Bucharest anticipates sunflower production to reach 2.4 MMT, eight percent lower from MY 2017/18 (see Table 2).

Large stocks in MY 2017/18 spurred export growth by one-third in year-on-year trade. Major EU markets for Romanian sunflower seeds were the Netherlands and France. Hungary, although a significant sunflower producer, was also a market for Romanian sunflower seeds due to the poor Hungarian crop. For the same reason, Serbia also imported about 40,000 MT of Romanian sunflower. Turkey and Egypt were other notable markets (see Appendix 1).

Romanian sunflower imports are limited, with neighboring Moldova being the largest shipper of sunflower seeds to Romania. The United States ships sunflower seeds for planting and for the snack industry and ranks fourth among foreign suppliers after Moldova, Bulgaria, and Hungary.

Table 2: Romania, Sunflower seeds Production, Trade, and Consumption

Romania	2014/15	2015/16	2016/17	2017/18 (e)	2018/19 (f)
Marketing Year Begin	October, 2014	October, 2015	October, 2016	October, 2017	October, 2018
Area (000) HA	1,025	1,012	1,040	1,100	1,130
Production (000) MT	2,000	1,750	2,032	2,600	2,400
MY Imports (000) MT	182	159	261	220	190
MY Exports (000) MT	1,170	1,133	1,248	1,630	1,470
Consumption (000) MT	998	780	967	1,193	1,093

Source: National Institute of Statistics, Global Trade Atlas, FAS estimate

Soybeans

Soybeans remain a minor crop in Romania, despite generous EU coupled-support programs. Support levels per hectare are set to fall to \$220/MT in MY 2017/18, down from last year's \$269/MT due to an increase in the eligible area. The current estimate for the soy planted area is 12 percent lower year-on-year, due to new restrictions in inputs under EU environmental requirements. Production is also likely to decline, while soybean imports are likely to increase by 10 percent (Table 3).

Weather conditions in MY 2017/18 were favorable for soybean production. Romanian farmers exported a large volume of soybeans to other EU markets, notably Germany, Austria, Italy, and Hungary. Serbia and Russia were noteworthy non-EU buyers (see Appendix for details).

Table 3: Romania, Soybeans Production, Trade, and Consumption

Romania	2014/15	2015/16	2016/17	2017/18 (e)	2018/19 (f)
Marketing Year Begin	October, 2014	October, 2015	October, 2016	October, 2017	October, 2018
Area (000) HA	86	128	127	165	150
Production (000) MT	200	262	263	360	300
MY Imports (000) MT	109	197	133	146	156
MY Exports (000) MT	84	82	137	230	215
Consumption (000) MT	201	382	266	279	234

Source: National Institute of Statistics, Global Trade Atlas, FAS estimate

Appendix - Trade Tables

Romania Export Statistics								
Commodity: 1206, Sunflower Seeds, Whether Or Not Broken								
Year Ending September: 2013 - 2017, Year To Date: 10/16 - 03/17 & 10/17 - 03/18								
Quantity								
Partner Country	Unit					Year To Date		
		2014	2015	2016	2017	10/16 - 03/17	10/17 - 03/18	%Change
World, of which	T	1,380,078	1,173,028	1,133,379	1,248,119	770,726	1,096,009	42
Netherlands	T	151,021	173,849	303,603	278,158	184,084	176,949	(4)
France	T	256,132	158,201	186,879	237,049	185,637	244,931	32
Portugal	T	108,039	91,105	113,059	200,459	89,095	97,598	10
Spain	T	104,856	98,938	71,534	121,453	65,529	46,533	(29)
Bulgaria	T	16,922	52,552	40,703	111,266	74,596	67,684	(9)
Hungary	T	168,919	143,137	77,236	88,110	29,442	120,018	308
Italy	T	110,756	78,529	73,531	61,025	18,510	40,093	117
Turkey	T	124,678	103,487	81,152	34,786	32,399	143,238	342
South Africa	T	90,210	40,523	19,800	30,617	30,617	-	(100)
Pakistan	T	195,485	176,217	92,481	29,500	29,500	40,950	39
Germany	T	17,725	15,227	19,170	18,594	14,728	12,287	(17)
Serbia	T	180	5,185	3,566	14,723	127	46,098	∞
Czech Republic	T	1,443	4,478	8,318	2,792	1,881	24,791	1,218
United States	T	939	797	5,190	1,460	1,405	306	(78)
Egypt	T	0	0	0	0	0	18,700.0	n/a

Source of Data: Eurostat

Romania Export Statistics								
Commodity: 1205, Rape Or Colza Seeds, Whether Or Not Broken								
Year Ending June: 2013 - 2017, Year To Date: 07/16 - 03/17 & 07/17 - 03/18								
Quantity								
Partner Country	Unit					Year To Date		
		2014	2015	2016	2017	07/16 - 03/17	07/17 - 03/18	%Change
World, of which	T	486,173	1,047,805	773,305	1,427,146	1,412,161	1,527,901	8.2
Belgium	T	183,722	203,027	233,061	433,622	433,622	500,774	15.49
Netherlands	T	139,253	172,337	141,608	289,670	289,670	425,420	46.86
Germany	T	26,145	77,716	48,388	154,562	147,269	223,116	51.5
United Arab Emirates	T	-	86,229	25,874	131,968	131,968	28,500	-78.4

Turkey	T	15,140	121,852	149,026	84,157	84,157	6,600	-92.16
Bulgaria	T	243	23,199	13,144	63,970	62,729	9,588	-84.72
France	T	34,741	38,955	83,715	53,621	53,605	32,002	-40.3
Hungary	T	29,395	68,452	38,927	38,593	35,933	21,682	-39.66
Poland	T	6,155	2,443	5,337	36,368	35,359	59,312	67.74
Russia	T	-	-	-	32,468	32,468	-	-100
Czech Republic	T	2,091	8,514	8,992	25,299	25,151	46,779	85.99
Portugal	T	-	36,145	-	15,774	15,774	63,107	300.06
Italy	T	2,968	6,202	4,688	14,799	14,683	10,625	-27.64
Iran	T	-	-	-	8,836	8,836	27,000	205.58
Greece	T	-	-	-	6,903	6,903	15,356	122.45

Source of Data: Eurostat

Romania Export Statistics								
Commodity: 1201, Soybeans, Whether Or Not Broken								
Year Ending September: 2013 - 2017, Year To Date: 10/16 - 03/17 & 10/17 - 03/18								
Quantity								
Partner Country	Unit					Year To Date		
		2014	2015	2016	2017	10/16 - 03/17	10/17 - 03/18	%Change
World, of which	T	37,120	84,251	81,210	137,182	119,689	218,146	82.26
Italy	T	4,079	13,800	6,301	23,777	18,535	40,302	117.44
Russia	T	-	-	-	22,005	22,000	61,104	177.74
Germany	T	11,490	17,273	15,531	21,798	19,009	21,690	14.11
Netherlands	T	425	1,988	-	15,739	15,739	-	-100
Austria	T	4,451	2,990	5,892	12,255	7,074	14,079	99.02
Turkey	T	-	29,452	16,886	9,776	9,776	-	-100
Bulgaria	T	2	7,049	24,646	7,560	6,001	-	-100
Hungary	T	1,882	8,535	1,697	4,937	3,759	37,564	899.21
Serbia	T	1,890	-	4,500	194	-	41,900	n/a

Source of Data: Eurostat